

THE STANDARD LIFE ASSURANCE COMPANY

Annual Review for 1968



The Standard Life Assurance Company — a mutual company — was established in Edinburgh, Scotland in 1825. Eight years later it became the first life assurance company to become established in Canada.

The Company now operates in the United Kingdom, Canada, the West Indies and the Republic of Ireland and, with assets equivalent to more than \$1,847 millions (including Canadian assets of over \$687 millions), it is one of the largest British Life Offices.

Un exemplaire en français de la revue annuelle peut être fourni sur demande.

Nineteen Hundred and Sixty-Eight

ANNUAL REVIEW

THE STANDARD LIFE ASSURANCE COMPANY

THE STANDARD LIFE ASSURANCE COMPANY

HEAD OFFICE • EDINBURGH, SCOTLAND

HEAD OFFICE FOR CANADA

The Standard Life Building, 1245 Sherbrooke Street West, Montreal

CANADIAN BOARD OF DIRECTORS

CHAIRMAN • W. A. ARBUCKLE, C.A. *Director: Bank of Montreal*

A. L. PENHALE, D.C.L. *Chairman: Asbestos Corporation Ltd.*

G. DRUMMOND BIRKS *Vice President and Director: Henry Birks & Sons Ltd.*

D. R. McMASTER, Q.C. *McMaster, Meighen, Minnion, Patch & Cordeau*

LUCIEN G. ROLLAND, D.C.Sc. *President and General Manager:
Rolland Paper Company*

ROBERT B. TAYLOR, F.C.A. *Vice-President:
The Steel Company of Canada Ltd.*

R. D. MULHOLLAND, D.C.L. *Vice Chairman: Bank of Montreal*

***G. T. WESTWATER, F.F.A., F.C.I.A.**

***ROBERT THOMSON, F.C.I.S.**

**Executive Director*

GENERAL MANAGER FOR CANADA **G. T. WESTWATER, F.F.A., F.C.I.A.**

**ASSISTANT GENERAL MANAGER AND
SECRETARY FOR CANADA** **J. C. BURNS, F.F.A., F.C.I.A.**

AGENCY MANAGER **J. A. ANDERSON**

GROUP MANAGER **J. M. LINNELL, A.I.A., F.C.I.A.**

ASSOCIATE GROUP MANAGER **G. F. ALLAN, F.F.A., F.C.I.A.**

ASSOCIATE SECRETARY AND COMPTROLLER **A. I. MacTIER, C.A.**

ASSOCIATE AGENCY MANAGER **W. NICOL**

ORGANIZATION SECRETARY **D. P. CALDER**

UNDERWRITING SECRETARY **R. D. DAVIDSON, F.L.M.I.**

CHIEF MEDICAL OFFICER **W. W. EAKIN, M.D., F.R.C.P. (C)**

OVERALL COMPANY BUSINESS

Highlights of the Company's Annual Report.

	1968	1967
NEW BUSINESS		
Life Assurance	\$1,094,189,182	\$ 845,872,242
Annuities	70,511,891	66,790,049
ASSETS	1,847,206,964	1,614,510,941
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES DURING YEAR	130,215,095	107,483,175
NET INTEREST EARNINGS	6.33%	6.44%
EXPENSE RATIO (Percentage of premium income absorbed by expenses)	12.5%	11.6%

In the above extracts from the Company's Annual Report, currencies other than Canadian have been converted at the rates of exchange in effect at the conclusion of the Company year. In order to obtain a valid comparison, the figures in respect of 1967 have been adjusted to conform to the rates of exchange used in the accounts for the year ended 15th November, 1968.

CANADIAN BUSINESS

New life insurance business completed in Canada in 1968 totalled \$235,804,789. Sales of individual life assurance policies amounted to \$191,580,303, the largest volume written during any year of the Company's history in Canada. New group life assurance totalled \$44,224,486.

In addition, new retirement income business and increments to existing plans provided for payment of \$31,182,076 in pensions per annum.

As at 15th November 1968, the Canadian assets of the Company increased to \$687,656,732, a gain of \$76,351,151 during the year under review.

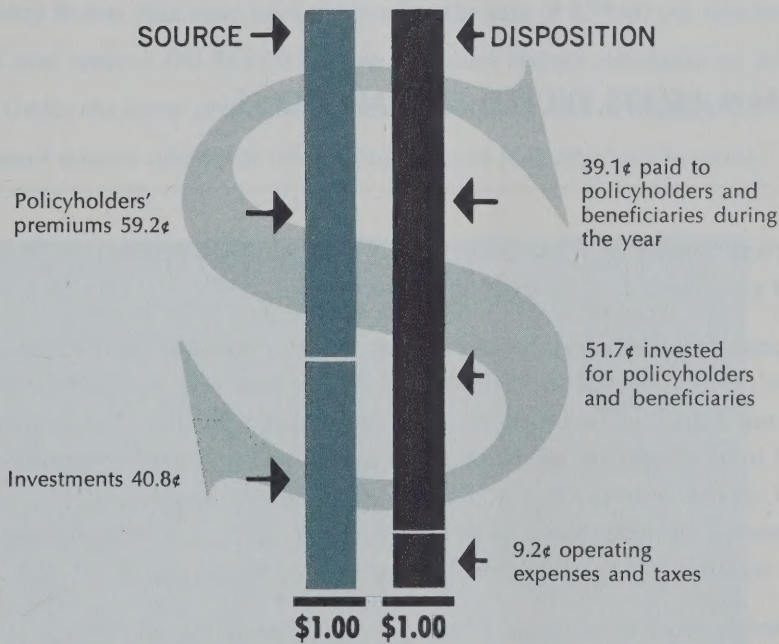
Premiums received amounted to \$53,968,936 and income from investments was \$37,142,997.

The record figure of individual life assurance sales confirms again the acceptance by Canadians of the very attractive terms which the Company continues to offer on all forms of life assurance business.

That acceptance may also be attributed to the high level of service provided by members of our salaried field staff across Canada whose role it is to provide impartial advice in matters of family security, provision of adequate retirement income and the protection of business interests.

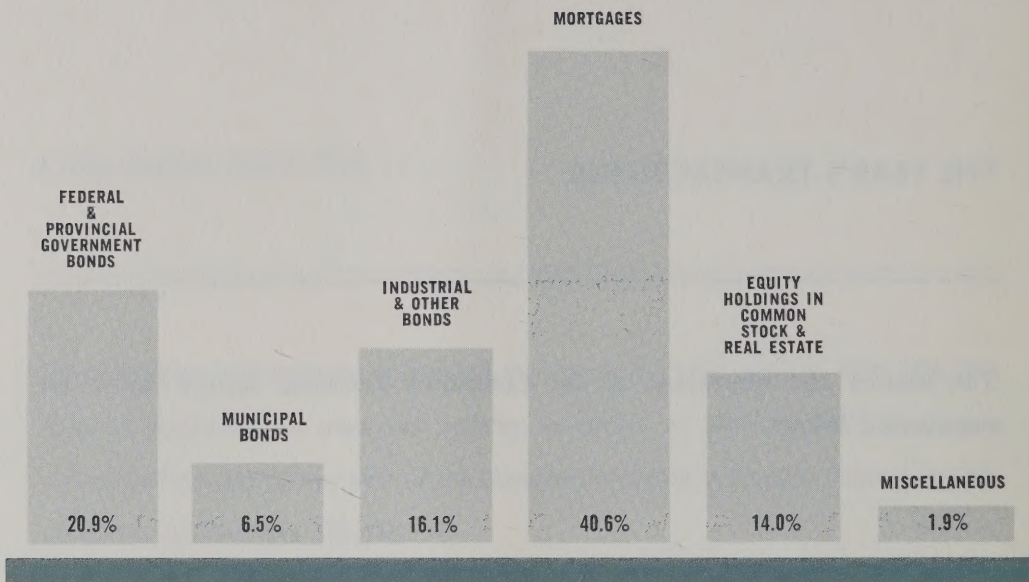
THE YEAR'S TRANSACTIONS

The sources and disposition of the Company's Canadian income dollar are summarized below:



While 59.2 cents of each income dollar came from premiums paid by policyholders, 90.8 cents was paid out to policyholders and beneficiaries or invested for payment to them in the future.

It will be noted also that expenses of administration and taxes accounted for only 9.2 cents of each dollar of income received from premiums and interest on invested funds.



CANADIAN ASSETS EXCEED \$687 MILLIONS

The Company's assets in Canada at 15th November 1968 totalled \$687,656,732, an increase of practically 12½ % over the previous year.

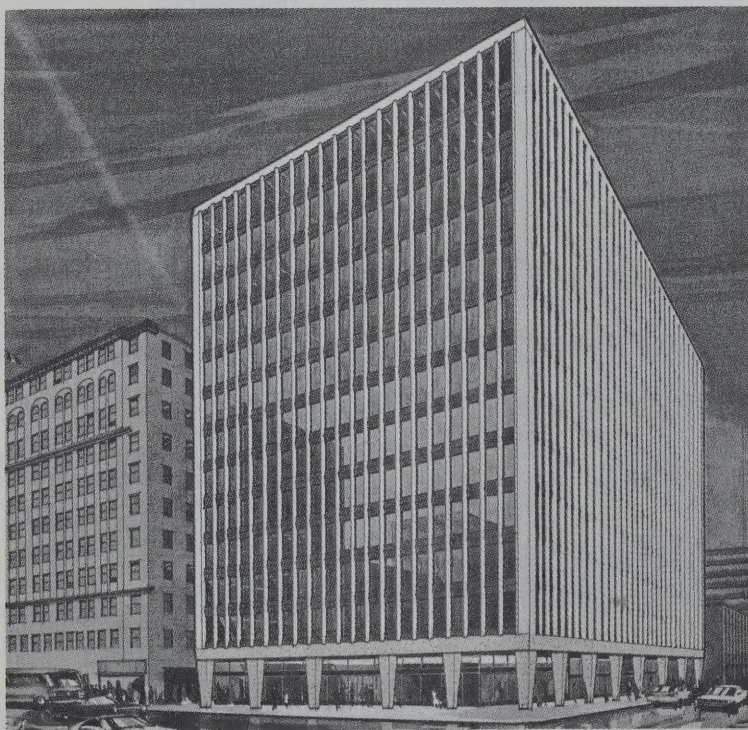
The accompanying chart, based on book values, illustrates the diversification of the Company's assets, invested in securities of the Federal and Provincial Governments, Canadian municipalities, a broad range of important Canadian Corporations, in real estate, and in mortgages on residential, commercial and industrial properties throughout Canada. It should be noted that 40.6% of the assets, i.e. approximately \$280 millions, is represented by mortgage loans. In all these areas of investment, policyholders' premiums contribute materially to the economic development of the country.

All income received in Canada from premiums, dividends and interest is invested in Canada for the benefit of the Company's Canadian policyholders and, in accordance with the Canadian and British Insurance Companies Act, the Company maintains with the Receiver General in Canada and Authorized Trustees a deposit of approved assets at least equal to its liabilities in Canada.

POLICYHOLDERS' DIVIDENDS

Benefits under Standard Life participating policies increase year by year without increase in the premium. Dividends, in the form of reversionary bonuses, are distributed as fully paid-up participating additions to the sum assured. The amount of insurance provided by the policy therefore increases each year and so acts as a counter-balance against inflation.

For the year ended 15th November 1968, bonuses under the Company's Full Reversionary Bonus plan have been declared at the rate of \$25.00 per one thousand dollars of sum assured and \$42.00 per one thousand dollars calculated on attaching bonuses. Under the lower premium Canadian Series, the rate of bonus is \$17.50 per one thousand dollars calculated on the sum assured and attaching bonuses.



In Montreal, policyholders' premiums are at work in this new 13 storey downtown office building which features direct access to the Peel Street Metro station.

RETIREMENT INCOME PLANS

Retirement Income Plans continue to form a considerable part of the Company's operations in Canada, as they do in other countries in which the Company operates. The Standard is the leading company in Canada in insured pension plans, having a substantially larger business in force and premium income than any other company. In respect of its Retirement Income Plans in Canada, the Standard in 1968 received nearly \$33,380,000 in premiums, paid out over \$12,570,000 in pensions and annuities, and at the end of the year had a liability of over \$528,970,000 for the payment of future benefits.

In addition to the conventional forms of pension bonds and group pension policies, the Standard offers funding of pension plans through deposit administration contracts, its pooled investment funds and, for large employers, separate investment funds. The deposit administration contracts provided a guaranteed compound interest rate of 6.73% per annum on deposits received during the year 1968. The pooled equity and bond funds showed the results stated in the following table:

POOLED INVESTMENT FUNDS

Equity Fund (commenced July 1966)	Unit Value	Change in Unit Value from 31st December	
At 31 December 1966	\$ 9.8630		
At 31 December 1967	11.51092	1966-1967	+ 16.70%
At 31 December 1968	15.87309	1967-1968	+ 37.89%

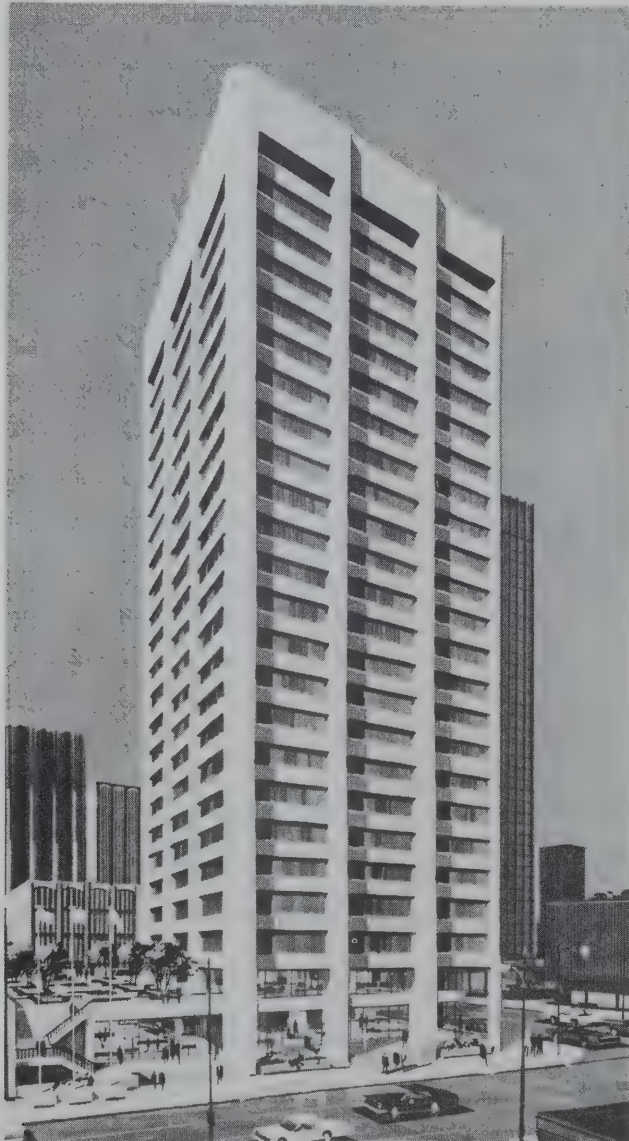
The compound rate of growth in unit value from July 1966 to December 1968 has been 20% per annum.

Bond Fund (commenced July 1968)	Unit Value	At the current Unit Value the projected yield was
At 31 July 1968	\$10.0000	7.27%
At 31 December 1968	10.34988	7.94%

(Note: The pooled investment funds accumulate interest and dividends; the above values include reinvested interest and dividends.)

A trained field organization is available to discuss the general planning of benefits and methods of funding, while an actuarial consulting service will be provided on request. Thus, a complete service is offered to employers for the design and administration of retirement income plans.

Another
real estate
investment —
The
Standard
Life's
new office
building
in Calgary



Intended for completion in 1970, the 24 storied building will be of most advanced design and will provide another example of The Standard's continuing interest in the economic development of Alberta.

HEAD OFFICE FOR CANADA

THE STANDARD LIFE BUILDING
1245 SHERBROOKE STREET WEST, MONTREAL, P.Q.

REGIONAL MANAGERS AND BRANCH MANAGERS

ATLANTIC REGION	Regional Manager	A. J. HAMILL, C.L.U.
ST. JOHN'S, NFLD.	85 Elizabeth Avenue	A. K. SMITH
HALIFAX	6009 Quinpool Road	I. W. MURRAY, C.L.U.
DARTMOUTH	42 Portland Street	
FREDERICTON	577 King Street	A. J. HAMILL, C.L.U.
SAINT JOHN, N.B.	75 Prince William Street	
MONCTON	272 St. George Street	T. E. CURRIE, C.L.U.
CHARLOTTETOWN	129 Queen Street	
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QUEBEC	100 Youville Square	J. CLOUTIER, C.L.U.
MONTREAL	1330 Greene Avenue	H. A. R. MARTIN, C.L.U.
MONTREAL ST. JAMES	800 Victoria Square	W. S. BOON Assistant Branch Manager
MONTREAL CARTIER	801 Sherbrooke Street East	E. G. SAVAGE
MONTREAL METRO	1550 Maisonneuve Blvd. W.	RAOUL LE GOUÉFF, C.L.U.
OTTAWA	214 Laurier Avenue West	G. A. MAHONY, C.L.U.
OTTAWA QUEENSWAY	880 Lady Ellen Place	C. N. MORRIS, C.L.U.
TORONTO	123 Edward Street	D. M. SINCLAIR
TORONTO EGLINTON	240 Eglinton Avenue East	R. L. BUTCHER, Field Supervisor
TORONTO YORK	3335 Yonge Street	EDWARD WALKER, C.L.U.
HAMILTON	39 James Street South	J. S. ANDERSON, C.L.U.
ST. CATHARINES	15 King Street	J. T. MOORE, C.L.U. District Supervisor
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WESTERN ONTARIO	Regional Manager	R. W. PORTER, C.L.U.
TORONTO CHARLES STREET AGENCY	45 Charles Street East	G. G. BOWKER, C.L.U.
KITCHENER	305 King Street West	E. H. MAHONY, C.L.U.
LONDON	200 Queens Avenue	H. H. ROY, C.L.U.
WINDSOR	500 Ouellette Avenue	R. W. PORTER, C.L.U.
		R. L. BROWN Field Supervisor
		J. W. ELLARD, C.L.U.
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WINNIPEG	213 Notre Dame Avenue	J. V. MAHON, C.L.U., District Supervisor
WESTERN CANADA	Regional Manager	D. M. McARTHUR
EDMONTON	10621 - 100th Avenue	D. C. MASKELL, C.L.U.
CALGARY	518 - Fifth Avenue, S.W.	D. W. RAMSAY, C.L.U.
VANCOUVER	1281 West Georgia Street	D. M. McARTHUR
VICTORIA	1061 Fort Street	R. J. TEMPLE, C.L.U., Associate Branch Manager
		W. G. HENDERSON, C.L.U.

REGIONAL GROUP MANAGERS AND GROUP SUPERVISORS

MARITIME PROVINCES

Group Supervisor	W. H. AKEROYD, F.L.M.I., 6009 Quinpool Road, Halifax
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QUEBEC & EASTERN ONTARIO

Regional Group Manager	V. F. BEATTY, 1245 Sherbrooke Street West, Montreal
Senior Group Supervisor	F. H. SAVAGE
Group Supervisors	L. BEAUSEJOUR D. O. HETHERINGTON S. DOHERTY P. A. McALEAR
Group Supervisor	K. J. McCARNEY, C.L.U., 214 Laurier Ave. West, Ottawa

TORONTO

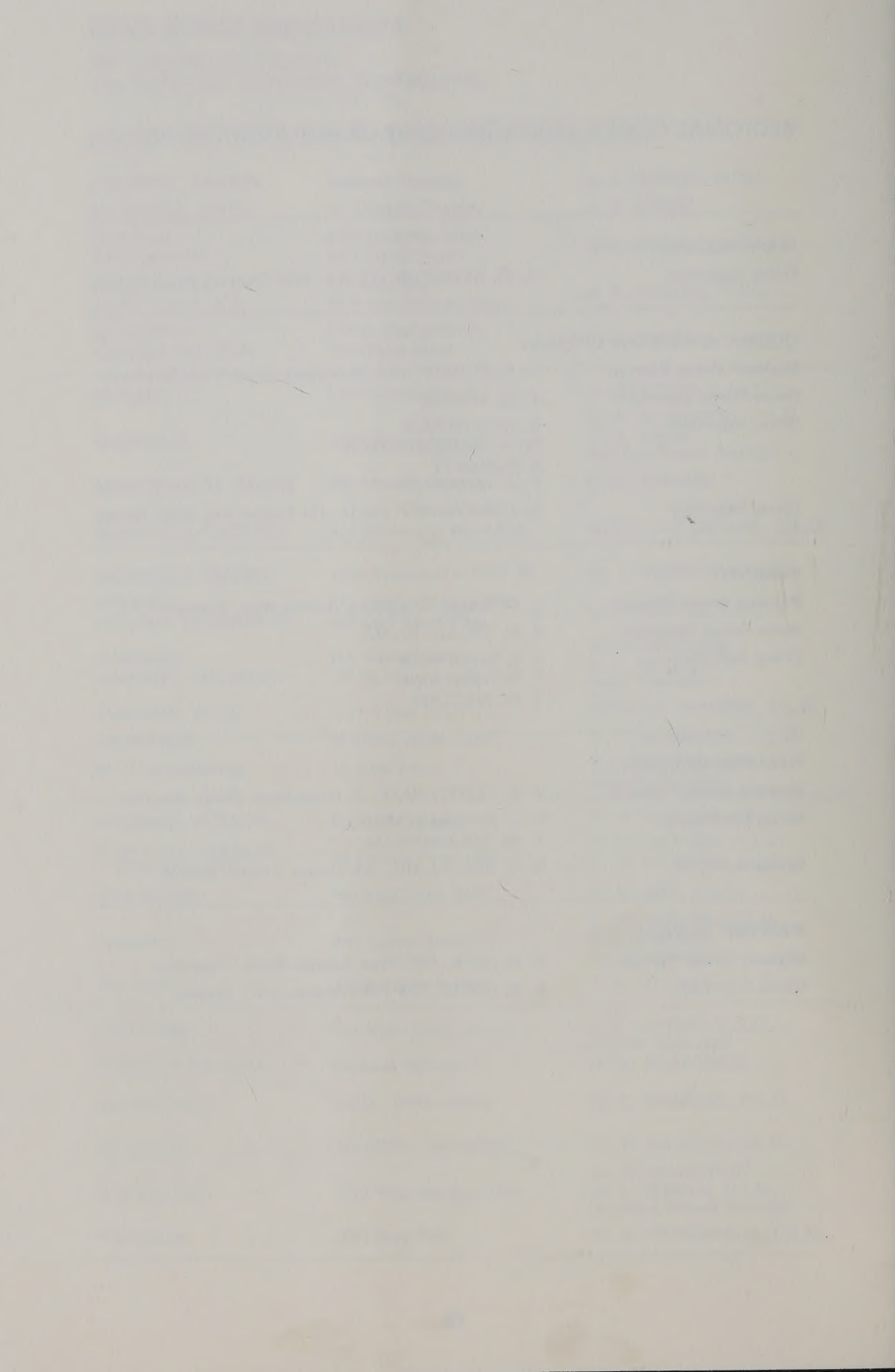
Regional Group Manager	L. G. HALL, 44 Eglinton Avenue West, Toronto
Senior Group Supervisor	B. H. SPURR, F.L.M.I.
Group Supervisors	J. B. THORNBUR L. W. LORRAINE B. G. SINCLAIR

WESTERN ONTARIO

Regional Group Manager	A. E. LLOYD EAST, 39 James Street South, Hamilton
Group Supervisors	P. E. VAN ALSTYNE T. W. BUCKINGHAM
Group Supervisor	M. J. ION, F.L.M.I., 200 Queens Avenue, London

WESTERN CANADA

Regional Group Manager	R. E. MOIR, 1281 West Georgia Street, Vancouver
Group Supervisor	R. R. COYLE, 518 Fifth Avenue, S.W., Calgary







Canada's First - since 1833